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STATE OFFICE

3095 Beacon Boulevard
West Sacramento, CA 95691
(916) 371-2422 / Fax (916) 371-2352
E-mail: agcsac@agc-ca.org

REGIONAL OFFICES

Northern California
1390 Willow Pass Road, Suite 1030
Concord, CA 94520
(925) 827-2422 / Fax (925) 827-4042
E-mail: agcnorth@agc-ca.org

Southern California
1906 W. Garvey Avenue South, Suite 100
West Covina, CA 91790
(626) 608-5800 / Fax (626) 608-5810
E-mail: agcsouth@agc-ca.org

DISTRICTS

Eureka and Shasta
(530) 246-8638 / Fax (530) 547-4772
E-mail: agcredning@frontiernet.net

Delta-Sierra
(916) 371-2422 / Fax (916) 371-2352
E-mail: agcsac@agc-ca.org

North Bay
(707) 526-0645 / Fax (707) 526-0809
E-mail: agcnorth@agc-ca.org

East Bay
(925) 827-2422 / Fax (925) 827-4042
E-mail: agcnorth@agc-ca.org

San Francisco
(415) 776-2054 / Fax (415) 776-5592
E-mail: agcnorth@agc-ca.org

Santa Clara
(408) 727-3318 / Fax (408) 727-7567
E-mail: agcnorth@agc-ca.org

San Joaquin and Monterey Bay
(559) 252-6262 / Fax (559) 252-6294
E-mail: agcfresno@agc-ca.org

Tri-Counties
(805) 388-7330 / Fax (805) 388-7329
E-mail: agctrico@agc-ca.org

Los Angeles
(626) 608-5800 / Fax (626) 608-5810
E-mail: agcsouth@agc-ca.org

Orange County
(949) 453-1480 / Fax (949) 453-1580
E-mail: agcsbo@agc-ca.org

Riverside/San Bernardino
(909) 885-7519 / Fax (909) 381-4047
E-mail: agcsbo@agc-ca.org



January 30, 2006

FEB 09 2006 00160

Mr. Lester Snow
Director
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001

RE: South Delta Improvements Program

Dear Director Snow:

On behalf of Associated General Contractors of California (AGC) I am writing today to express our organization's support for the Department of Water Resources' (DWR) South Delta Improvements Program (SDIP), a critical water supply, water quality and environmental project designed to meet California's diverse water needs. This October, DWR and the U.S. Bureau of Reclamation released a draft Environmental Impact Report/Statement (EIR/S) for SDIP, kicking off an important public review and comment process.

AGC is the largest statewide construction trade association in California. Founded in 1920, AGC represents more than 1,200 firms of leading general contractors specialty-contracting and service providers and suppliers.

As you know, California is facing a critical challenge: We need a safe, reliable and high quality water supply to keep up with our rapidly rising population and fast-growing trillion-dollar economy. However, we have limited water supplies in our arid state, so we must better utilize our existing water resources and infrastructure; otherwise, we put our communities, farms, environment and businesses at great risk. Two-thirds of California receives its water from the San Francisco Bay/Sacramento-San Joaquin Delta. Given its importance, we need better ways to manage the Delta's water delivery system, as well as the water itself. In essence, we need to make every drop count.

In 2000, the state and federal governments initiated the historic CalFed Bay-Delta Program to manage the Bay-Delta's water

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resources and eco-system. A unique collaboration of interests supported the plan including environmental organizations, water agencies, business interests, farmers, and state and federal water and fish agencies. SDIP is the next step forward in this long-term planning effort for the Bay-Delta.

SDIP is a responsible and balanced plan to better utilize and integrate our existing water management infrastructure in the Delta. Collectively, it will improve our state's water supply reliability, water quality and the overall health of the Bay-Delta ecosystem. The program will construct seasonal tidal gates to protect fish, and improve water circulation and quality in the Delta, dredge select Delta channels to improve water deliveries for local farmers, and allow State Water Project deliveries to increase modestly – only when needed and environmentally safe to do so.

Currently, the state is constrained in its ability to use surplus water supplies. We have the infrastructure to move the water, but until SDIP is approved, the state's water managers cannot fully or responsibly use the existing system. SDIP calls for only a 3-5% increase in the average amount of water pumped from the Delta. More significantly, SDIP will provide the flexibility to shift the timing of water deliveries when surplus is available and when environmentally safe to do so. SDIP is an ideal option for California to advance – it will not require building a new project or the construction of major new infrastructure. And, funding for the program has already been secured through passage of voter approved bonds in 2000 (Proposition 13).

Importantly, SDIP will help protect important Delta environmental resources. Specifically, it will help protect fish species in the Delta channels. At the same time, by providing the state greater flexibility in how and when SDIP operates its system of pumps, fish are granted greater protections.

Given all these points, SDIP is supported by a statewide, broad coalition of water, agriculture, business, planning organizations, and local government officials including the Association of California Water Agencies, State Water Contractors, California Chamber of Commerce, California Business Properties Association and the Western Growers Association.

Water is the lifeblood of California – critical to our families, farms, and businesses. It is our responsibility to use this precious resource wisely through all possible best management practices, including water conservation, recycling and storage, to ensure California's water future. It is imperative that we have a more flexible water delivery system so that we can continue to accommodate growth in our population and economy while relying on existing water supplies.